

## Digital Britain – Comments from Herefordshire Partnership

These comments are from members of the Economic Development Partnership Group on behalf of the Herefordshire Partnership, the local strategic partnership for Herefordshire. Members of this Group were also involved in a more detailed response to the Delivering Digital Inclusion consultation. Overall the recommendations of the Digital Britain report are supported, and if implemented will go a long way to helping the situation in this county. However, there are a few issues we wish to raise.

The report highlights how Britain's productivity gap with Europe has been reducing partly due to the take-up of digital technology. In many rural areas the adoption of digital technology is not a realistic option. Most businesses on the biggest industrial estate in Hereford are limited to 512Kb broadband due to old infrastructure, and there is no business case for BT to replace that infrastructure - and no real competition for the provision of broadband there or elsewhere in Herefordshire. More than 10% of homes and 11% of businesses in the county have either no broadband or speeds of under 0.5Mb; 39% of homes and 26% of businesses have 1Mb or less - and limited prospect of improvement from BT in the more rural areas. Access to the mobile phone network is patchy in many rural areas and there is very little 3G service outside Hereford, so much more investment will be needed to extend broadband coverage to the county through the mobile phone network. A further problem is that earnings in the county are among the lowest in the West Midlands, and many residents and small businesses are still to be convinced that it would be worth paying for broadband, even if they could get it. If broadband is taken up then getting access to support in rural areas can be an issue. Until it is universally available and adopted many of the public services that could achieve savings through greater use of broadband technology can't make that commitment.

The 2Mb service being suggested as a minimum is probably adequate now for most residents and home workers, and would be a step forward. However, existing investment plans and availability of choice in urban areas will leave rural areas well behind if the best that can be provided is only 2Mb. Businesses are already looking for much higher bandwidth, 8Mb and beyond, and this may well become a deciding factor in relocation plans. Any county that can't provide that level of service will fail to attract the more productive and higher paying businesses that are necessary to sustain the local economy, and will also be placing constraints on local businesses wanting to grow. This will be bad for the country and puts many rural counties, already constrained by barriers to accessing services that urban dwellers take for granted, in a particularly difficult position.

Key points arising from the comments above are:

- The universal availability of 2Mb broadband by 2012 should be seen as an interim stage leading to much faster services for all areas of the country by a defined date.
- Businesses in the main industrial areas need to have access to at least 8Mb broadband services now, and certainly by 2012, with scope for future improvement. This may best be done by providing fibre to the cabinet in major industrial areas, where not already available, but this may either require incentives to the private sector to provide, or a relaxation in rules to allow the investment by the private sector to be recouped.
- Sharing of phone masts and other technology may be critical to keeping down the cost of extending 3G mobile services in rural areas, and even so this may need some public sector intervention.
- Councils will need help to deploy new services based on broadband, while there is neither universal availability nor take-up of broadband. This may extend to subsidising equipment or services for some households.
- It may be possible to mobilise the voluntary sector, or community interest groups, to promote take up of broadband and to provide support in rural areas, but this will require some funding.

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